by the order of April 11, 1986; to the Committee on Appropriations and the Committee on the Budget.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHAFEE, from the Committee on Environment and Public Works, with an amendment in the nature of a substitute and an amendment to the title:

S. 1005. A bill to amend the Public Buildings Act of 1959 to improve the process of constructing, altering, purchasing, and acquiring public buildings, and for other purposes (Rept. No. 104–232).

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute and an amendment to the title:

S. 604. A bill to amend title 49, United States Code, to relieve farmers and retail farm suppliers from limitations on maximum driving and on-duty time in the transportation of agricultural commodities or farm supplies if such transportation occurs within 100-air mile radius of the source of the commodities or the distribution point for the farm supplies (Rept. No. 104–233).

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 772. A bill to provide for an assessment of the violence broadcast on television, and for other purposes (Rept. No. 104–234).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. LEAHY (for himself and Mr. FEINGOLD):

S. 1567. A bill to amend the Communications Act of 1934 to repeal the amendments relating to obscene and harassing use of telecommunications facilities made by the Communications Decency Act of 1995; to the Committee on Commerce, Science, and Transportation.

By Mr. HATCH (for himself, Mr. BAUCUS, Mr. SIMPSON, and Mr. D'AMATO):

S. 1568. A bill to amend the Internal Revenue Code of 1986 to provide for the extension of certain expiring provisions; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mrs. KASSEBAUM (for herself, Mr. DODD, Mr. LIEBERMAN, Mr. MCCAIN, Mr. MACK, Mr. D'AMATO, Mrs. FEINSTEIN, Mr. SARBANES, Mr. SIMON, Mr. GLENN, Mr. COHEN, Mr. SPECTER, Mr. PELL, Mr. COCHRAN, Ms. SNOWE, Mr. LEVIN, Mr. KOHL, Mr. JEFFORDS, Mr. HELMS, Mr. SIMPSON, Mr. KENNEDY, Mr. INOUYE, Mr. STEVENS, Mr. CRAIG, Mr. HOLLINGS, Mr. CHAFEE, and Mr. GRASSLEY):

S. Con. Res. 42. A concurrent resolution concerning the emancipation of the Iranian Baha'i community; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEAHY (for himself and Mr. FEINGOLD):

S. 1567. A bill to amend the Communications Act of 1934 to repeal the amendments relating to obscene and harassing use of telecommunications facilities made by the Communications Decency Act of 1995; to the Committee on Commerce, Science, and Transportation.

TELECOMMUNICATION LEGISLATION

Mr. LEAHY. Mr. President, last week, the Congress passed telecommunications legislation. The President signed it into law this week. For a number of reasons, and I stated them in the Chamber at the time, I voted against the legislation. There were a number of things in that legislation I liked and I am glad to see them in law. There were, however, some parts I did not like, one of them especially. Today I am introducing a bill to repeal parts of the new law, parts I feel would have far-reaching implications and would impose far-reaching new Federal crimes on Americans for exercising their free speech rights on-line and on the Internet.

The parts of the telecommunications bill called the Communications Decency Act are fatally flawed and unconstitutional. Indeed, such serious questions about the constitutionality of this legislation have been raised that a new section was added to speed up judicial review to see if the legislation would pass constitutional muster. The legislation is not going to pass that test.

The first amendment to our Constitution expressly states that ''Congress shall make no law abridging the freedom of speech.'' The new law flouts that prohibition for the sake of political posturing. We should not wait to let the courts fix this mistake. Even on an expedited basis, the judicial review of the new law would take months and possibly years of litigation. During those years of litigation unsuspecting Americans who are using the Internet in unprecedented numbers and more every day, are going to risk criminal liability every time they go on-line.

Let us be emphatically clear that the people at risk of committing a felony under this new law are not child pornographers, purveyors of obscene materials, or child sex molesters. These people can already be prosecuted and should be prosecuted under longstanding Federal criminal laws that prevent the distribution over computer networks of obscene and other pornographic materials harmful to minors, under 18 U.S.C. sections 1465, 2252 and 2423(a); that prohibit the illegal solicitation of a minor by way of a computer network, under 18 U.S.C. section 2252; and that bar the illegal luring of a minor into sexual activity through computer conversations, under 18 U.S.C. section 2423(b). In fact, just last year, we passed unanimously a new law that sharply increases penalties for people who commit these crimes.

There is absolutely no disagreement in the Senate, no disagreement certainly among the 100 Senators about wanting to protect children from harm. All 100 Senators, no matter where they are from, would agree that obscenity and child pornography should be kept out of the hands of children. All Senators agree that we should punish those who sexually exploit children or abuse children. I am a former prosecutor. I have prosecuted people for abusing children. This is something where there are no political or ideological differences among us.

I believe there was a terribly misguided effort to protect children from what some prosecutors somewhere in this country might consider offensive or indecent online material, and in doing that, the Communications Decency Act tramples on the free speech rights of all Americans who want to enjoy this medium.

This legislation sweeps more broadly than just stopping obscenity from being sent to children. It will impose felony penalties for using indecent four-letter words, or discussing material deemed to be indecent, on electronic bulletin boards or Internet chat areas and news groups accessible to children.

Let me give a couple of examples: You send e-mail back and forth, and you want to annoy somebody whom you talked with many times before—it may be your best buddy—and you use a four-letter word. Well, you could be prosecuted for that, although you could pick up the phone, say the same thing to him, and you commit no crime; or send a letter and say the same word and commit no crime; or talk to him walking down the street and commit no crime.

To avoid liability under this legislation, users of e-mail will have to ban curse words and other expressions that might be characterized as indecent from their online vocabulary.

The new law will punish with 2-year jail terms someone using one of the seven dirty words in a message to a minor or for sharing with a minor material containing indecent passages. In some areas of the country, a copy of Seventeen magazine would be considered indecent, even though kids buy it. The magazine is among the 10 most frequently challenged school library materials in the country. Somebody sends an excerpt from it, and bang, they could be prosecuted.

The new law will make it a crime ''to display in a manner available to'' a child any message or material ''that, in context, depicts or describes, in terms patently offensive as measured by contemporary community standards, sexual or excretory activities or organs* * *'' That covers any of the over 13,000 Usenet discussion groups, as well as electronic bulletin boards, online service provider chat rooms, and Web sites, that are all accessible to children.

This display prohibition, according to the drafters, ''applies to content providers who post indecent material for online display without taking precautions that shield that material from minors.''

What precautions will Internet users have to take to avoid criminal liability? These users, after all, are the ones who provide the ''content'' read in news groups and on electronic bulletin boards. The legislation gives the FCC authority to describe the precautions that can be taken to avoid criminal liability. All Internet users will have to wait and look to the FCC for what they must do to protect themselves from criminal liability.

Internet users will have to limit all language used and topics discussed in online discussions accessible to minors to that appropriate for kindergartners, just in case a child clicks onto the discussion. No literary quotes from racy parts of ''Catcher in the Rye'' or ''Ulysses'' will be allowed. Certainly, online discussions of safe sex practices, or birth control methods, and of AIDS prevention methods will be suspect. Any user who crosses the vague and undefined line of ''indecency'' will be subject to 2 years in jail and fines.

This worries me considerably. I will give you an idea of what happens. People look at this, and because it is so vague and so broad and so sweeping, attempts to protect one's self from breaking the law become even broader and even more sweeping.

A few weeks ago, America Online took the online profile of a Vermonter off the service. Why? Because the Vermonter used what AOL deemed a vulgar, forbidden word. The word—and I do not want to shock my colleagues—but the word was ''breast.'' And the reason this Vermonter was using the word ''breast''? She was a survivor of breast cancer. She used the service to exchange the latest information on detection of breast cancer or engage in support to those who are survivors of breast cancer. Of course, eventually, America Online apologized and indicated they would allow the use of the word where appropriate.

We are already seeing premonitions of the chilling effect this legislation will have on online service providers. Far better we use the laws on the books today to go after child pornographers, to go after child abusers.

What strikes some people as indecent or patently offensive may look very different to other people in another part of the country. Given these differences, a vague ban on patently offensive and indecent communications may make us feel good but threatens to drive off the Internet and computer networks an unimaginable amount of valuable political, artistic, scientific, health and other speech.

For example, many museums in this country and abroad are going high-technology and starting Web pages to provide the public with greater access to the cultural riches they offer. What if museums, like the Whitney Museum, which currently operates a Web page, had to censor what it made available online out of fear of being dragged into court? Only adults and kids who can make it in person to the museum will be able to see the paintings or sculpture censored for online viewing under this law.

What about the university health service that posts information online about birth control and protections against the spread of AIDS? With many students in college under 18, this information would likely disappear under threat of prosecution.

What happens if they are selling online versions of James Joyce's ''Ulysses'' or of ''Catcher in the Rye''? Can they advertise this? Can excerpts be put online? In all likelihood not. The Internet is breaking new ground important for the economic health of this country. Businesses, like the Golden Quill Book Shop in Manchester Center, VT, can advertise and sell their books around the country or the world via the Internet. But now, advertisers will have to censor their ads.

For example, some people consider the Victoria's Secret catalogue indecent. Under this new law, advertisements that would be legal in print could subject the advertiser to criminal liability if circulated online. You could put them in your local newspaper, but you cannot put it online.

In bookstores and on library shelves, the protections of the first amendment are clear. The courts are unwavering in the protection of indecent speech. In altering the protections of the first amendment for online communications, I believe you could cripple this new mode of communication.

At some point you have to start asking, where do we censor? What speech do we keep off? Is it speech we may find politically disturbing? If somebody wants to be critical of any one Member of Congress, are we able to keep that off? Should we be able to keep that off? I think not. There is a lot of reprehensible speech and usually it becomes more noted when attempts are made to censor it rather than let it out in the daylight where people can respond to it.

The Internet is an American technology that has swept around the world. As its popularity has grown, so have efforts to censor it. For example, complaints by German prosecutors prompted an online service provider to cut off subscriber access to over 200 Internet news groups with the words ''sex,'' ''gay,'' or ''erotica'' in the name. They censored such groups as ''clarinet.news.gays,'' which is an online newspaper focused on gay issues, and ''gay-net.coming-out,'' which is a support group for gay men and women dealing with going public with their sexual orientation.

German prosecutors have also tried to get AOL to stop providing access to neo-Nazi propaganda accessible on the Internet. No doubt such material is offensive and abhorrent, but nonetheless just as protected by our first amendment as indecent material.

In China, look what they are trying to do. They are trying to create an intranet that would heavily censor outside access to the worldwide Internet. We ought to make sure it is open, not censored. We ought to send that out as an example to China.

Americans should be taking the high ground to protect the future of our home-grown Internet, and to fight these censorship efforts that are springing up around the globe. Instead of championing the first amendment, however, the Communications Decency Act tramples on the principles of free speech and free flow of information that has fueled the growth of this medium.

We have to be vigilant in enforcing the laws we have on the books to protect our children from obscenity, child pornography, and sexual exploitation. Those laws are being enforced. Just last September, using current laws, the FBI seized computers and computer files from about 125 homes and offices across the country as part of an operation to shut down an online child pornography ring.

I well understand the motivation for the Communications Decency Act. We want to protect our children from offensive or indecent online materials. This Senator—and I am confident every other Senator—agrees with that. But we must be careful that the means we use to protect our children does not do more harm than good. We can already control the access our children have to indecent material with blocking technologies available for free from some online service providers and for a relatively low cost from software manufacturers.

Frankly, and I will close with this, Mr. President, at some point we ought to stop saying the Government is going to make a determination of what we read and see, the Government will determine what our children have or do not have.

I grew up in a family where my parents thought it was their responsibility to guide what I read or would not read. They probably had their hands full. I was reading at the age of 4. I was a voracious reader, and all the time I was growing up I read several books a week and went through our local library in the small town I grew up in very quickly. That love of reading has stood me in very good stead. I am sure I read some things that were a total waste of time, but very quickly I began to determine what were the good things to read and what were the bad things. I had read all of Dickens by the end of the third grade and much of Robert Louis Stevenson. I am sure some can argue there are parts of those that maybe were not suitable for somebody in third grade. I do not think I was severely damaged by it at all. That same love of reading helped me get through law school and become a prosecutor

where I did put child abusers behind bars.

Should we not say that the parents ought to make this decision, not us in the Congress? We should put some responsibility back on families, on parents. They have the software available that they can determine what their children are looking at. That is what we should do. Banning indecent material from the Internet is like using a meat cleaver to deal with the problems better addressed with a scalpel.

We should not wait for the courts. Let us get this new unconstitutional law off the books as soon as possible.

My Mr. HATCH (for himself, Mr. BAUCUS, Mr. SIMPSON, and Mr. D'AMATO):

S. 1568. A bill to amend the Internal Revenue Code of 1986 to provide for the extension of certain expiring provisions; to the Committee on Finance.

EXTENSION OF EXPIRED TAX PROVISIONS LEGISLATION

Mr. HATCH. Mr. President, I am pleased today to join with my friends and colleagues, Senator BAUCUS, Senator SIMPSON, and Senator D'AMATO, in introducing legislation that would extend certain expired tax provisions that have been delayed by the recent budget impasse. If no action is taken, the current tax treatment for individuals who accept educational benefits from their employer or donate stock to a charitable foundation will disappear as well as the tax incentives for companies who hire disadvantaged employees and invest heavily in research and development, orphan drug research, and alternative fuel research. These items are noncontroversial and have consistently enjoyed bipartisan support. However, because President Clinton vetoed the balanced budget of 1995, which included these extensions, these much-needed provisions need immediate attention inasmuch as April 15 is quickly approaching. Both individuals and businesses are anxiously awaiting the extension of these expired provisions so they will be able to pay their anticipated tax bill.

Mr. President, this bill would ensure continued opportunity for Americans. The termination of one of these provisions—the employer-provided educational assistance program—would end the hopes of thousands to attend college in order to enhance their job opportunities. This program has been well-established as an alternative way for individuals to meet their long-range educational goals. Without this extension, an estimated 800,000 Americans would be required to pay taxes on the education expenses paid by employers who did not withhold for the 1995 tax year because they counted on Congress to extend this program. Companies have already reported a significant drop in program participation because employees would be unable to pay the anticipated additional taxes. Without this exclusion, education becomes too expensive for many and the future promise embodied by it often slips away.

Not only will educational goals be defeated if these expired provisions are not extended, but programs that contribute to economic growth and long-term job creation will also be eliminated as research incentives dissipate. Many high-technology industries rely on the research and experimentation tax credit to make the development of new products economically feasible. Without this credit, they would be forced to either reduce the amount of their research or relocate to a country with research-friendly tax policies. In the end, the people of the United States would pay the price for our negligence in not extending this tax credit. They would be the ones without the high-technology, high paying jobs. They would be the ones who would suffer from a research deficit. And they would be the ones who had to live in a country with a less than robust economy.

As this extender package focuses on job creation for the high-technology industries, it also creates incentives for businesses to hire high-risk employees through the work opportunities tax credit [WOTC]. This program helps remove individuals from the more costly government assistant programs and provides them with jobs that allow them to both learn and earn.

Mr. President, some of my colleagues will correctly note that this bill includes no offset to pay for the lost revenue of extending these expired tax provisions. However, when these items were introduced as a small portion of the balanced budget of 1995, they were an important part of a complete package that placed this Nation on a path to fiscal responsibility. Thus, in the context of a complete balanced budget deal, the cost of these provisions are offset by the necessary spending cuts. This bill has been carved out of the larger piece of legislation because time constraints require that we must now focus attention on the immediacy of this issue. While all of the tax provisions in the Balanced Budget Act of 1995 are important and need to be addressed in comprehensive legislation, the items singled out in this bill are those that will have a direct impact on tax returns that are due this spring. As the sponsor of the balanced budget amendment, I certainly recognize the need to enact these provisions in a way that will not increase the deficit. And, I remain hopeful that Congress will pass an effective and responsible budget bill, including these and other vital tax provisions, that the President will sign. We look forward to working with Chairman ROTH of the Finance Committee and Senator DOMENICI of the Budget Committee in crafting a revenue neutral package that would include these provisions.

Mr. President, these programs are specifically designed to target individuals and businesses in a way that will produce benefits for the American economy. History has proven that high employment rates, educational opportunities, and intensive research are goals that we can agree on. It is important that we see this bill enacted in a timely matter so that our Nation will feel the effects of this legislation. Individuals and businesses alike have anticipated the renewal of these provisions. Congress has extended them in the past, and should have extended them in the 1995 budget agreement. Failure to do so now could have serious repercussions. I note that similar legislation will be introduced in the House by Representatives NANCY JOHNSON and ROBERT MATSUI. I urge all of my colleagues to support this bill.

I ask unanimous consent that the text of the bill and a summary of its provisions be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1568

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. WORK OPPORTUNITY TAX CREDIT.

(a) AMOUNT OF CREDIT.—Subsection (a) of section 51 of the Internal Revenue Code of 1986 (relating to amount of credit) is amended by striking ''40 percent'' and inserting ''35 percent''.

(b) MEMBERS OF TARGETED GROUPS.—Subsection (d) of section 51 of the Internal Revenue Code of 1986 is amended to read as follows:

''(d) MEMBERS OF TARGETED GROUPS.—For purposes of this subpart—

''(1) IN GENERAL.—An individual is a member of a targeted group if such individual is—

''(A) a qualified IV–A recipient,

''(B) a qualified veteran,

''(C) a qualified ex-felon,

''(D) a high-risk youth,

''(E) a vocational rehabilitation referral,

''(F) a qualified summer youth employee, or

''(G) a qualified food stamp recipient.

''(2) QUALIFIED IV–A RECIPIENT.—

''(A) IN GENERAL.—The term 'qualified IV–A recipient' means any individual who is certified by the designated local agency as being a member of a family receiving assistance under a IV–A program for at least a 9-month period ending during the 9-month period ending on the hiring date.

''(B) IV–A PROGRAM.—For purposes of this paragraph, the term 'IV–A program' means any program providing assistance under a State plan approved under part A of title IV of the Social Security Act (relating to assistance for needy families with minor children) and any successor of such program.

''(3) QUALIFIED VETERAN.—

''(A) IN GENERAL.—The term 'qualified veteran' means any veteran who is certified by the designated local agency as being—

''(i) a member of a family receiving assistance under a IV–A program (as defined in paragraph (2)(B)) for at least a 9-month period ending during the 12-month period ending on the hiring date, or

''(ii) a member of a family receiving assistance under a food stamp program under the Food Stamp Act of 1977 for at least a 3-month period ending during the 12-month period ending on the hiring date.

''(B) VETERAN.—For purposes of subparagraph (A), the term 'veteran' means any individual who is certified by the designated local agency as—

''(i)(I) having served on active duty (other than active duty for training) in the Armed

Forces of the United States for a period of more than 180 days, or

''(II) having been discharged or released from active duty in the Armed Forces of the United States for a service-connected disability, and

''(ii) not having any day during the 60-day period ending on the hiring date which was a day of extended active duty in the Armed Forces of the United States.

For purposes of clause (ii), the term 'extended active duty' means a period of more than 90 days during which the individual was on active duty (other than active duty for training).

''(4) QUALIFIED EX-FELON.—The term 'qualified ex-felon' means any individual who is certified by the designated local agency—

''(A) as having been convicted of a felony under any statute of the United States or any State,

''(B) as having a hiring date which is not more than 1 year after the last date on which such individual was so convicted or was released from prison, and

''(C) as being a member of a family which had an income during the 6 months immediately preceding the earlier of the month in which such income determination occurs or the month in which the hiring date occurs, which, on an annual basis, would be 70 percent or less of the Bureau of Labor Statistics lower living standard.

Any determination under subparagraph (C) shall be valid for the 45-day period beginning on the date such determination is made.

''(5) HIGH-RISK YOUTH.—

''(A) IN GENERAL.—The term 'high-risk youth' means any individual who is certified by the designated local agency—

''(i) as having attained age 18 but not age 25 on the hiring date, and

''(ii) as having his principal place of abode within an empowerment zone or enterprise community.

''(B) YOUTH MUST CONTINUE TO RESIDE IN ZONE.—In the case of a high-risk youth, the term 'qualified wages' shall not include wages paid or incurred for services performed while such youth's principal place of abode is outside an empowerment zone or enterprise community.

''(6) VOCATIONAL REHABILITATION REFERRAL.—The term 'vocational rehabilitation referral' means any individual who is certified by the designated local agency as—

''(A) having a physical or mental disability which, for such individual, constitutes or results in a substantial handicap to employment, and

''(B) having been referred to the employer upon completion of (or while receiving) rehabilitative services pursuant to—

''(i) an individualized written rehabilitation plan under a State plan for vocational rehabilitation services approved under the Rehabilitation Act of 1973, or

''(ii) a program of vocational rehabilitation carried out under chapter 31 of title 38, United States Code.

''(7) QUALIFIED SUMMER YOUTH EMPLOYEE.—

''(A) IN GENERAL.—The term 'qualified summer youth employee' means any individual—

''(i) who performs services for the employer between May 1 and September 15,

''(ii) who is certified by the designated local agency as having attained age 16 but not 18 on the hiring date (or if later, on May 1 of the calendar year involved),

''(iii) who has not been an employee of the employer during any period prior to the 90-day period described in subparagraph (B)(i), and

''(iv) who is certified by the designated local agency as—

''(I) having his principal place of abode within an empowerment zone or enterprise community, or

''(II) being a member of a family receiving assistance under a food stamp program under the Food Stamp Act of 1977 for at least a 3-month period ending during the 12-month period ending on the hiring date.

''(B) SPECIAL RULES FOR DETERMINING AMOUNT OF CREDIT.—For purposes of applying this subpart to wages paid or incurred to any qualified summer youth employee—

''(i) subsection (b)(2) shall be applied by substituting 'any 90-day period between May 1 and September 15' for 'the 1-year period beginning with the day the individual begins work for the employer', and

''(ii) subsection (b)(3) shall be applied by substituting '$3,000' for '$6,000'.

The preceding sentence shall not apply to an individual who, with respect to the same employer, is certified as a member of another targeted group after such individual has been a qualified summer youth employee.

''(C) YOUTH MUST CONTINUE TO RESIDE IN ZONE.—Paragraph (5)(B) shall apply for purposes of subparagraph (A)(iv)(I).

''(8) QUALIFIED FOOD STAMP RECIPIENT.—

''(A) IN GENERAL.—The term 'qualified food stamp recipient' means any individual who is certified by the designated local agency—

''(i) as having attained age 18 but not age 25 on the hiring date, and

''(ii) as being a member of a family receiving assistance under a food stamp program under the Food Stamp Act of 1977 for at least a 3-month period ending during the 12-month period ending on the hiring date.

''(9) HIRING DATE.—The term 'hiring date' means the day the individual is hired by the employer.

''(10) DESIGNATED LOCAL AGENCY.—The term 'designated local agency' means a State employment security agency established in accordance with the Act of June 6, 1933, as amended (29 U.S.C. 49–49n).

''(11) SPECIAL RULES FOR CERTIFICATIONS.—

''(A) IN GENERAL.—An individual shall not be treated as a member of a targeted group unless—

''(i) on or before the day on which such individual begins work for the employer, the employer has received a certification from a designated local agency that such individual is a member of a targeted group, or

''(ii)(I) on or before the day the individual is offered employment with the employer, a pre-screening notice is completed by the employer with respect to such individual, and

''(II) not later than the 14th day after the individual begins work for the employer, the employer submits such notice, signed by the employer and the individual under penalties of perjury, to the designated local agency as part of a written request for such a certification from such agency.

For purposes of this paragraph, the term 'pre-screening notice' means a document (in such form as the Secretary shall prescribe) which contains information provided by the individual on the basis of which the employer believes that the individual is a member of a targeted group.

''(B) INCORRECT CERTIFICATIONS.—If—

''(i) an individual has been certified by a designated local agency as a member of a targeted group, and

''(ii) such certification is incorrect because it was based on false information provided by such individual,

the certification shall be revoked and wages paid by the employer after the date on which notice of revocation is received by the employer shall not be treated as qualified wages.

''(C) EXPLANATION OF DENIAL OF REQUEST.—If a designated local agency denies a request for certification of membership in a targeted group, such agency shall provide to the person making such request a written explanation of the reasons for such denial.''

(c) MINIMUM EMPLOYMENT PERIOD.—Paragraph (3) of section 51(i) of the Internal Revenue Code of 1986 (relating to certain individuals ineligible) is amended to read as follows:

''(3) INDIVIDUALS NOT MEETING MINIMUM EMPLOYMENT PERIOD.—No wages shall be taken into account under subsection (a) with respect to any individual unless such individual either—

''(A) is employed by the employer at least 180 days (20 days in the case of a qualified summer youth employee), or

''(B) has completed at least 250 hours (120 hours in the case of a qualified summer youth employee) of services performed for the employer.''

(d) TERMINATION.—Paragraph (4) of section 51(c) of the Internal Revenue Code of 1986 (relating to wages defined) is amended to read as follows:

''(4) TERMINATION.—The term 'wages' shall not include any amount paid or incurred to an individual who begins work for the employer—

''(A) after December 31, 1994, and before January 1, 1996, or

''(B) after December 31, 1997.''

(e) REDESIGNATION OF CREDIT.—

(1) Sections 38(b)(2) and 51(a) of the Internal Revenue Code of 1986 are each amended by striking ''targeted jobs credit'' and inserting ''work opportunity credit''.

(2) The subpart heading for subpart F of part IV of subchapter A of chapter 1 of such Code is amended by striking ''**Targeted Jobs Credit**'' and inserting ''**Work Opportunity Credit**''.

(3) The table of subparts for such part IV is amended by striking ''targeted jobs credit'' and inserting ''work opportunity credit''.

(4) The heading for paragraph (3) of section 1396(c) of such Code is amended by striking ''TARGETED JOBS CREDIT'' and inserting ''WORK OPPORTUNITY CREDIT''.

(f) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 51(c) of the Internal Revenue Code of 1986 is amended by striking '', subsection (d)(8)(D),''.

(2) Paragraph (3) of section 51(i) of such Code is amended by striking ''(d)(12)'' each place it appears and inserting ''(d)(6)''.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after December 31, 1995.

SEC. 2. EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE PROGRAMS.

(a) EXTENSION.—Subsection (d) of section 127 of the Internal Revenue Code of 1986 (relating to educational assistance programs) is amended by striking ''December 31, 1994'' and inserting ''December 31, 1997''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1994.

SEC. 3. RESEARCH CREDIT.

(a) IN GENERAL.—Subsection (h) of section 41 of the Internal Revenue Code of 1986 (relating to credit for research activities) is amended—

(1) by striking ''June 30, 1995'' each place it appears and inserting ''December 31, 1997'', and

(2) by striking ''July 1, 1995'' each place it appears and inserting ''January 1, 1998''.

(b) BASE AMOUNT FOR START-UP COMPANIES.—Clause (i) of section 41(c)(3)(B) of the Internal Revenue Code of 1986 (relating to start-up companies) is amended to read as follows:

''(i) TAXPAYERS TO WHICH SUBPARAGRAPH APPLIES.—The fixed-base percentage shall be determined under this subparagraph if—

''(I) the first taxable year in which a taxpayer had both gross receipts and qualified research expenses begins after December 31, 1983, or

''(II) there are fewer than 3 taxable years beginning after December 31, 1983, and before January 1, 1989, in which the taxpayer had both gross receipts and qualified research expenses.''.

(c) ELECTION OF ALTERNATIVE INCREMENTAL CREDIT.—Subsection (c) of section 41 of the Internal Revenue Code of 1986 is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and by inserting after paragraph (3) the following new paragraph:

''(4) ELECTION OF ALTERNATIVE INCREMENTAL CREDIT.—

''(A) IN GENERAL.—At the election of the taxpayer, the credit determined under subsection (a)(1) shall be equal to the sum of—

''(i) 1.65 percent of so much of the qualified research expenses for the taxable year as exceeds 1 percent of the average described in subsection (c)(1)(B) but does not exceed 1.5 percent of such average,

''(ii) 2.2 percent of so much of such expenses as exceeds 1.5 percent of such average but does not exceed 2 percent of such average, and

''(iii) 2.75 percent of so much of such expenses as exceeds 2 percent of such average.

''(B) ELECTION.—An election under this paragraph may be made only for the first taxable year of the taxpayer beginning after June 30, 1995. Such an election shall apply to the taxable year for which made and all succeeding taxable years unless revoked with the consent of the Secretary.''

(d) INCREASED CREDIT FOR CONTRACT RESEARCH EXPENSES WITH RESPECT TO CERTAIN RESEARCH CONSORTIA.—Paragraph (3) of section 41(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

''(C) AMOUNTS PAID TO CERTAIN RESEARCH CONSORTIA.—

''(i) IN GENERAL.—Subparagraph (A) shall be applied by substituting '75 percent' for '65 percent' with respect to amounts paid or incurred by the taxpayer to a qualified research consortium for qualified research.

''(ii) QUALIFIED RESEARCH CONSORTIUM.—The term 'qualified research consortium' means any organization described in subsection (e)(6)(B) if—

''(I) at least 15 unrelated taxpayers paid (during the calendar year in which the taxable year of the taxpayer begins) amounts to such organization for qualified research,

''(II) no 3 persons paid during such calendar year more than 50 percent of the total amounts paid during such calendar year for qualified research, and

''(III) no person contributed more than 20 percent of such total amounts.

For purposes of subclause (I), all persons treated as a single employer under subsection (a) or (b) of section 52 shall be treated as related taxpayers.''

(e) CONFORMING AMENDMENT.—Subparagraph (D) of section 28(b)(1) of the Internal Revenue Code of 1986 is amended by striking ''June 30, 1995'' and inserting ''December 31, 1997''.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years ending after June 30, 1995.

(2) SUBSECTIONS (c) AND (d).—The amendments made by subsections (c) and (d) shall apply to taxable years beginning after June 30, 1995.

SEC. 4. ORPHAN DRUG TAX CREDIT.

(a) RECATEGORIZED AS A BUSINESS CREDIT.—

(1) IN GENERAL.—Section 28 of the Internal Revenue Code of 1986 (relating to clinical testing expenses for certain drugs for rare diseases or conditions) is transferred to subpart D of part IV of subchapter A of chapter 1 of such Code, inserted after section 45B, and redesignated as section 45C.

(2) CONFORMING AMENDMENT.—Subsection (b) of section 38 of such Code (relating to general business credit) is amended by striking ''plus'' at the end of paragraph (10), by striking the period at the end of paragraph (11) and inserting '', plus'', and by adding at the end the following new paragraph:

''(12) the orphan drug credit determined under section 45C(a).''.

(3) CLERICAL AMENDMENTS.—

(A) The table of sections for subpart B of such part IV is amended by striking the item relating to section 28.

(B) The table of sections for subpart D of such part IV is amended by adding at the end the following new item:

''Sec. 45C. Clinical testing expenses for certain drugs for rare diseases or conditions.''.

(b) CREDIT TERMINATION.—Subsection (e) of section 45C of the Internal Revenue Code of 1986, as redesignated by subsection (a)(1), is amended by striking ''December 31, 1994'' and inserting ''December 31, 1997''.

(c) NO PRE-1995 CARRYBACKS.—Subsection (d) of section 39 of the Internal Revenue Code of 1986 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following new paragraph:

''(7) NO CARRYBACK OF SECTION 45C CREDIT BEFORE 1995.—No portion of the unused business credit for any taxable year which is attributable to the orphan drug credit determined under section 45C may be carried back to a taxable year beginning before January 1, 1995.''.

(d) ADDITIONAL CONFORMING AMENDMENTS.—

(1) Section 45C(a) of the Internal Revenue Code of 1986, as redesignated by subsection (a)(1), is amended by striking ''There shall be allowed as a credit against the tax imposed by this chapter for the taxable year'' and inserting ''For purposes of section 38, the credit determined under this section for the taxable year is''.

(2) Section 45C(d) of such Code, as so redesignated, is amended by striking paragraph (2) and by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4).

(3) Section 29(b)(6)(A) of such Code is amended by striking ''sections 27 and 28'' and inserting ''section 27''.

(4) Section 30(b)(3)(A) of such Code is amended by striking ''sections 27, 28, and 29'' and inserting ''sections 27 and 29''.

(5) Section 53(d)(1)(B) of such Code is amended—

(A) by striking ''or not allowed under section 28 solely by reason of the application of section 28(d)(2)(B),'' in clause (iii), and

(B) by striking ''or not allowed under section 28 solely by reason of the application of section 28(d)(2)(B)'' in clause (iv)(II).

(6) Section 55(c)(2) of such Code is amended by striking ''28(d)(2),''.

(7) Section 280C(b) of such Code is amended—

(A) by striking ''section 28(b)'' in paragraph (1) and inserting ''section 45C(b)'',

(B) by striking ''section 28'' in paragraphs (1) and (2)(A) and inserting ''section 45C(b)'', and

(C) by striking ''subsection (d)(2) thereof'' in paragraphs (1) and (2)(A) and inserting ''section 38(c)''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 1994.

SEC. 5. CONTRIBUTIONS OF STOCK TO PRIVATE FOUNDATIONS.

(a) IN GENERAL.—Subparagraph (D) of section 170(e)(5) of the Internal Revenue Code of 1986 (relating to special rule for contributions of stock for which market quotations are readily available) is amended by striking ''December 31, 1994'' and inserting ''December 31, 1997''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after December 31, 1994.

SEC. 6. EXTENSION OF BINDING CONTRACT DATE FOR BIOMASS AND COAL FACILITIES.

(a) IN GENERAL.—Subparagraph (A) of section 29(g)(1) of the Internal Revenue Code of 1986 (relating to extension of certain facilities) is amended by striking ''January 1, 1997'' and inserting ''January 1, 1999'' and by striking ''January 1, 1996'' and inserting ''July 1, 1997''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 7. EXTENSION OF TRANSITION RULE FOR CERTAIN PUBLICLY TRADED PARTNERSHIPS.

(a) IN GENERAL.—Subparagraph (B) of section 10211(c)(1) of the Revenue Act of 1987 (Public Law 100–203) is amended by striking ''December 31, 1997'' and inserting ''December 31, 1999''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the provisions of section 10211 of the Revenue Act of 1987.

SEC. 8. EXTENSION OF GROUP LEGAL SERVICES.

(a) EXTENSION.—Subsection (e) of section 120 of the Internal Revenue Code of 1986 (relating to amounts received under qualified group legal services plans) is amended by striking ''June 30, 1992'' and inserting ''December 31, 1997''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after June 30, 1992.

PROVISIONS OF THE EXTENDER BILL

All the tax provisions in this legislation are extended until 12/31/97 so that they will be protected through the fundamental tax reform debate that is sure to ensue in this election year.

1. Work Opportunities Tax Credit [WOTC], formerly TJTC:

This program is not as flexible as the original TJTC. However, this bill expands it from the limited version that was included in the Balanced Budget Act of 1995, as follows:

The categories have been expanded to include qualified summer youth who live with families dependent on food stamps and 18–25 year olds who live with families dependent on food stamps.

The hour requirement for the minimum employment period was reduced from the 500 hours included in the Balanced Budget Act of 1995 to 250 hours.

2. Employer-Provided Educational Assistance Program:

This program remains the same as the version included in the Balanced Budget Act, but this legislation does not limit the provision to undergraduate education.

3. Research and Experimentation Tax Credit:

This bill extends the research and experimentation credit as included in the Balanced Budget Act by incorporating an Alternative Increment Research Credit as well as an adjustment for start-up companies (the notch baby issue).

4. Orphan Drug Tax Credit:

This bill extends the research credit for rare diseases and allows the carryforward or carryback of unused credit, as included in the Balanced Budget Act of 1995.

5. Contributions of Stock to Private Foundation:

Extends existing law to December 31, 1997.

6. Extension of Binding Contract Date for the Section 29 Credit:

Extends the placed-in-service date to January 1, 1999, and the binding contract date to July 1, 1997.

7. Publicly Traded Partnerships:

Extends grandfathered PTPs as regular partnerships until December 31, 1997.

8. Group Legal Services:

This bill extends the program included in the Senate version of the Balanced Budget Act of 1995 until December 31, 1997.

• Mr. D'AMATO. Mr. President, I am very pleased to join my distinguished colleagues, Senators HATCH, BAUCUS, and SIMPSON, in introducing legislation to extend certain expiring tax provisions. Over the years, all of the provisions in this bill have received support from most Members of Congress. In the first session of this Congress, I joined Senator HATCH in cosponsoring legislation to extend the tax benefits on a number of these provisions. In addition, on June 29, 1995, I introduced S. 997 to permanently reinstate the tax exclusion for employer-provided group legal services. I am very pleased that that provision has been included in this bill.

Mr. President, this bill is an important and necessary piece of legislation. As such, I urge my colleagues to join us in the effort to extend these important benefits.•

ADDITIONAL COSPONSORS

S. 413

At the request of Mr. DASCHLE, the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of S. 413, a bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under such Act, and for other purposes.

S. 673

At the request of Mrs. KASSEBAUM, the names of the Senator from Idaho [Mr. CRAIG] and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 673, a bill to establish a youth development grant program, and for other purposes.

S. 837

At the request of Mr. WARNER, the names of the Senator from South Carolina [Mr. THURMOND] and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of S. 837, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of James Madison.

S. 1058

At the request of Mr. WELLSTONE, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 1058, a bill to provide a comprehensive program of support for victims of torture.

S. 1095

At the request of Mr. MOYNIHAN, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 1095, a bill to amend the Internal Revenue Code of 1986 to extend permanently the exclusion for educational assistance provided by employers to employees.

S. 1130

At the request of Mr. BROWN, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 1130, a bill to provide for the establishment of uniform accounting systems, standards, and reporting systems in the Federal Government, and for other purposes.

S. 1183

At the request of Mr. HATFIELD, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of S. 1183, a bill to amend the Act of March 3, 1931 (known as the Davis-Bacon Act), to revise the standards for coverage under the Act, and for other purposes.

S. 1379

At the request of Mr. THURMOND, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1379, a bill to make technical amendments to the Fair Debt Collection Practices Act, and for other purposes.

S. 1423

At the request of Mr. GREGG, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of S. 1423, a bill to amend the Occupational Safety and Health Act of 1970 to make modifications to certain provisions, and for other purposes.

S. 1497

At the request of Mr. NICKLES, the name of the Senator from Wyoming [Mr. THOMAS] was added as a cosponsor of S. 1497, a bill to amend the Solid Waste Disposal Act to make certain adjustments in the land disposal program to provide needed flexibility, and for other purposes.

SENATE RESOLUTION 215

At the request of Mr. LAUTENBERG, the names of the Senator from Montana [Mr. BAUCUS], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Ohio [Mr. DEWINE], and the Senator from Oklahoma [Mr. INHOFE] were added as cosponsors of Senate Resolution 215, a resolution to designate June 19, 1996, as ''National Baseball Day.''

SENATE RESOLUTION 217

At the request of Mrs. KASSEBAUM, the names of the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Rhode Island [Mr. PELL], and the Senator from Oklahoma [Mr. INHOFE] were added as cosponsors of Senate Resolution 217, a resolution to designate the first Friday in May 1996, as ''American Foreign Service Day'' in recognition of the men and women who have served or are presently serving in the American Foreign Service, and to honor those in the American Foreign Service who have given their lives in the line of duty.

SENATE CONCURRENT RESOLUTION 42—CONCERNING THE EMANCIPATION OF THE IRANIAN BAHA'I COMMUNITY

Mrs. KASSEBAUM (for herself, Mr. DODD, Mr. LIEBERMAN, Mr. MCCAIN, Mr. MACK, Mr. D'AMATO, Mrs. FEINSTEIN, Mr. SARBANES, Mr. SIMON, Mr. GLENN, Mr. COHEN, Mr. SPECTER, Mr. PELL, Mr. COCHRAN, Ms. SNOWE, Mr. LEVIN, Mr. KOHL, Mr. JEFFORDS, Mr. HELMS, Mr. SIMPSON, Mr. KENNEDY, Mr. INOUYE, Mr. STEVENS, Mr. CRAIG, Mr. HOLLINGS, Mr. CHAFEE, and Mr. GRASSLEY) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 42

Whereas in 1982, 1984, 1988, 1990, 1992, and 1994 the Congress, by concurrent resolution, declared that it holds the Government of Iran responsible for upholding the rights of all its nationals, including members of the Baha'i Faith, Iran's largest religious minority;

Whereas the Congress has deplored the Government of Iran's religious persecution of the Baha'i community in such resolutions and in numerous other appeals, and has condemned Iran's execution of more than 200 Baha'is and the imprisonment of thousands of others solely on account of their religious beliefs;

Whereas the Government of Iran continues to deny individual Baha'is access to higher education and government employment and denies recognition and religious rights to the Baha'i community, according to the policy set forth in a confidential Iranian Government document which was revealed by the United Nations Commission on Human Rights in 1993;

Whereas all Baha'i community properties in Iran have been confiscated by the government and Iranian Baha'is are not permitted to elect their leaders, organize as a community, operate religious schools or conduct other religious community activities guaranteed by the Universal Declaration of Human Rights; and

Whereas on February 22, 1993, the United Nations Commission on Human Rights published a formerly confidential Iranian Government document that constitutes a blueprint for the destruction of the Baha'i community and reveals that these repressive actions are the result of a deliberate policy designed and approved by the highest officials of the Government of Iran: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) continues to hold the Government of Iran responsible for upholding the rights of all its nationals, including members of the Baha'i community, in a manner consistent with Iran's obligations under the Universal Declaration of Human Rights and other international agreements guaranteeing the civil and political rights of its citizens;

(2) condemns the repressive anti-Baha'i policies and actions of the Government of Iran, including the denial of legal recognition to the Baha'i community and the basic rights to organize, elect it leaders, educate its youth, and conduct the normal activities of a law-abiding religious community;

(3) expresses concern that individual Baha'is continue to suffer from severely repressive and discriminatory government actions, solely on account of their religion;

(4) urges the Government of Iran to extend to the Baha'i community the rights guaranteed by the Universal Declaration of Human Rights and the international covenants of